Measures Proposed by Company Law Board

7320 SHRI YERRA NARAYANASWAMY: Will the PRIME MINISTER be pleased to state:

(a) whether the Company Law Board has made any proposal to reduce the time taken to get prospectus cleared;

(b) if so, the details thereof; and

(c) the details of other measures proposed to make interpretation and implementation of regulations easier for entrepreneurs?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) to (c) No proposal has been made by the Company Law Board. However, the Department of Company Affairs constituted a Review Committee to study the working of offices of Register of Companies with a view to streamline their working and to suggest changes for simplification of procedures involved in dealing with documents filed by companies. The Committee has made a number of recommendations, *inter alia*, for expediting the availability of names, registration of documents, standardisation of additional fee etc. The Committee has also suggested to take prospectus on record preferably on the date of filing or by next working day. Administrative instructions, in this regard, have been issued to all Registrars of Companies on 16th February, 1995 for implementing these recommendations and in the mean-time rules are being amended, where necessary, to give effect to these recommendations.

Company Law Board's Suggestions to SEBI

733. SHRI YERRA NARAYANASWAMY: Will the PRIME MINISTER be pleased to state:

(a) what steps are being taken to protect investors in the share and stock market;

(b) whether the Company Law Board has made any suggestions in this regard to SEBI; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) Complaints received in the Deptt. of Company Affairs from investors are processed through a computerised system and in appropriate cases, the Registrars of Companies are advised to initiate penal proceedings against companies and officers in default. Besides, the following steps are being taken by SEBI to protect the interest of investors:—

(i) Complaints of investors against the companies and the intermediaries are resolved.

(ii) Rules and regulations have been formulated for various intermediaries in securities markets like stock brokers, subbrokers, merchant bankers, debenture trustees, registrar to the issue, transfer agents, portfolio managers, mutual funds and banker to an issue. Regulations have also been framed for insider trading and takeover of companies.

(iii) Code of conduct has been prescribed for all the intermediaries as mentioned above.

(iv) Guidelines are issued to the intermediaries from time to time.

(v) Policy decisions are taken on a continuous basis for higher degree of transparency in the operations of the intermediaries and to protect investors.

(vi) Offer documents of the companies intending to raise funds from the public are vetted to ensure adequate disclosure enabling the investors to take informed investment decisions.